



---

## MESSAGE FROM THE SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

It has been two years since my appointment as Inspector General for the Coalition Provisional Authority (CPA-IG). Shortly after that appointment, I embarked on my first trip to Iraq to assess how to establish effective oversight of the CPA's programs and operations.

After stepping off the plane in Baghdad in February 2004, I quickly recognized the scope of the enormously complex and significant mission that confronted us and the lethal, chaotic environment in which we would have to do our work. I told my staff that our overarching goal would be to provide oversight that promoted economy, efficiency, and effectiveness and prevent fraud, waste, and abuse.

By the time the CPA-IG was fully operational in Baghdad, only a few months remained before CPA's tenure expired. The end of the CPA in June 2004 signaled the potential end of the CPA-IG, but the publication of our July 2004 Report caused the Congress to conclude that there was a need for continuing oversight in Iraq. Billions of dollars and the future of Iraq reconstruction were at stake. And the Congress responded by re-designating the CPA-IG as the Special Inspector General for Iraq Reconstruction (SIGIR) and assigning it the important mission of overseeing the Iraq Relief and Reconstruction Fund.

Now, nearly two years since the inception of our unique oversight organization, I am pleased to submit SIGIR's eighth Quarterly Report to Congress and to the Secretaries of State and Defense. With the issuance of this Report, SIGIR has completed 40 final audit reports and 29 detailed assessments and inspections that collectively provide an important perspective on U.S. progress in Iraq.

President Bush correctly observed in December 2005 that "in all three aspects of our strategy—democracy and security and reconstruction—we're learning from our experiences [in Iraq], and we're fixing what hasn't worked." SIGIR has played an important role in contributing to both the "learning" and the "fixes." When SIGIR auditors and inspectors identify a need for changes in reconstruction practices, procedures, or policies, they provide immediate guidance to reconstruction management about necessary action. Our Reports document that reconstruction managers tend to concur with SIGIR recommendations, and they have usually taken immediate steps to implement money-saving modifications. This process amounts to "real-time" auditing—oversight that remains independent but is designed to effect rapid improvement.

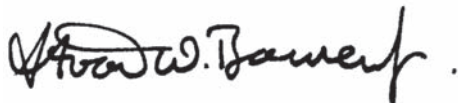
Throughout 2005, SIGIR played an important role in identifying key issues confronting and impeding the U.S. reconstruction effort in Iraq. For example, SIGIR inquiries signaled deficiencies in the information management systems for reconstruction projects, and SIGIR pressed for measures, now underway, to ameliorate this serious shortfall. SIGIR illuminated the need for securing concrete policies that will ensure that reconstruction projects are sustainable when they are finally turned over

to Iraq. This prompted a new emphasis on the need to provide additional funding for capacity-building operations and maintenance programs. The need for more funding has reached a critical point; there is a compelling basis to increase support for sustainability. SIGIR pointed out problems with the contractor award-fee processes, and those problems were fixed before our Report was issued. And we identified and brought attention to the “reconstruction gap” that exists between initial reconstruction expectations and current reconstruction outcomes.

The recent arrests of four individuals charged with criminal fraud committed in Iraq underscores the axiom that oversight works well when it works hard. And oversight would have worked even better if SIGIR had been in Iraq from the beginning. By the time I was appointed Inspector General in January 2004, the recently arrested perpetrators were already months into their criminal scheme. We had to play catch-up to track them down and bring them to justice.

SIGIR continues to support national capabilities for stabilization and reconstruction by documenting the Iraq reconstruction experience in an analytic report of lessons learned. A key lesson of the SIGIR experience is that oversight works best when it is up-front, highly visible, and forward-leaning. Recently, the Congress again extended our mandate, and as we complete our first two years in Iraq and move into a year of transition, SIGIR will continue to execute its important mission while always remembering those who have sacrificed so much for the successes achieved so far in Iraq. At the same time, we want the relatively few who believe they will never be called to account for their misdeeds to know that SIGIR is on the case, and we will be seeing them soon.

Submitted January 30, 2006

A handwritten signature in black ink, reading "Stuart W. Bowen, Jr." with a stylized flourish at the end.

Stuart W. Bowen, Jr.